

1           663. Mr. Urquhart and Westhampton are informed and believe that on or about March  
2 14, 2008, Mainland had four leases for properties owned by Ms. King Horton in the DeSoto  
3 Parish prospect.

4           664. On or about March 18, 2008, Mr. Urquhart had a meeting with Mr. Pierce, Mr.  
5 Cicci, Mr. Barbon, and Mr. Johnson at Pierco Petroleum's Vancouver office. They discussed:  
6 (a) Mainland's leasing efforts in northern Louisiana; (b) the decision to have Ms. King Horton  
7 resign from Mainland's Board of Directors (with Mr. Barbon to send Ms. King Horton the  
8 resignation letter) and continue to work as a consultant to Mainland; (c) selling Pierco  
9 Petroleum's unproductive properties; (d) the clean-up and abandonment of Pierco Petroleum's  
10 Ingle 1-19 well; (e) having Mr. Barbon set up Pierco Land Company by the following week; (f)  
11 the status of Morgan Creek's Texas and New Mexico prospects; (g) the need to pay the  
12 outstanding bills relating to the Boggs #1 well and taking no other action in relation to the well  
13 at this time; and (h) potential leases in Mississippi.

14           665. During this meeting, the parties also discussed having Mr. Braumberger prepare  
15 press releases and brochures for Mainland and Morgan Creek, as well as having Mr. Paige focus  
16 on drafting a short-form agreement governing OPS Group Limited's relationship with Mainland.

17           666. On or about March 18, 2008, when Mr. Newport asked for the resignation of Ms.  
18 King Horton as a director of Mainland, Mr. Newport reported the resignation to Mr. Cicci, Mr.  
19 Barbon, and Mr. Coulthard.

20           667. That night, Mr. Urquhart went to dinner with Mr. Pierce, Mr. Johnson, Mr. Cicci,  
21 and Jonathan More ("Mr. More") of Canaccord Capital to discuss funding a new company called  
22 Mira Resources, Inc. ("Mira Resources").

23           668. Mira Resources was another of the Public Companies that Mr. Pierce worked to  
24 promote in the 1990s and/or early 2000s.  
25

1           669. Mr. Urquhart and Westhampton are informed and believe that Mr. Pierce began  
2 asserting his direct and/or indirect ownership, control, and/or influence over Mira Resources in  
3 or around early 2008.

4           670. Mr. Urquhart and Westhampton are informed and believe that Mr. Pierce was an  
5 employee, agent, consultant, and/or direct and/or indirect stockholder of Mira Resources, and  
6 that he directly and/or indirectly controlled and/or influenced Mira Resources.

7           671. Mr. Urquhart and Westhampton are informed and believe that Mr. Cicci was an  
8 employee, agent, consultant, and/or direct and/or indirect stockholder of Mira Resources, and  
9 that he, along with Mr. Pierce, directly and/or indirectly controlled and/or influenced Mira  
10 Resources.

11           672. In 2008, Mr. Thomas was appointed as Chief Financial Officer of Mira  
12 Resources, and he served in this position until 2009.

13           673. On or about March 18, 2008 and March 19, 2008, Mr. Urquhart met with Mr.  
14 Pierce, Mr. Cicci, Mr. Barbon, and Mr. Johnson at Pierco Petroleum's Vancouver office, and it  
15 was confirmed that Mr. Urquhart would be appointed to the Board of Directors for both Morgan  
16 Creek and Mainland. Mr. Urquhart was also informed that he would receive 1,563,333 shares of  
17 Morgan Creek's common stock and 500,000 options in Morgan Creek's stock for, not only the  
18 services to be rendered as President, Chief Executive Officer, and Director of Morgan Creek, but  
19 also for the work he had accomplished in February 2008 and March 2008 in analyzing Morgan  
20 Creek's wells and attempting to find Morgan Creek new business opportunities.

21           674. On or about March 18, 2008 or March 19, 2008, Mr. Urquhart met with Mr.  
22 Pierce, Mr. Cicci, and Mr. Barbon, and Mr. Urquhart was informed that he would receive  
23 500,000 shares of Mainland's common stock and 600,000 options in Mainland's stock for, not  
24 only the services to be rendered as Director of Mainland, but also for the work he had  
25

1 accomplished in February 2008 and March 2008 involving the horizontal drilling of the Cotton  
2 Valley zone in the DeSoto Parish prospect.

3 675. During this meeting, Mr. Pierce, Mr. Cicci, and Mr. Barbon also confirmed that  
4 Morgan Creek, Mainland, Pierco Petroleum, and Pierco Energy would be retaining Mr. Urquhart  
5 as a consultant. Mr. Pierce determined that Mr. Urquhart would receive \$10,000.00 per month  
6 from Morgan Creek, \$5,000.00 per month from Mainland, and \$5,000.00 per month from Pierco  
7 Petroleum and/or Pierco Energy.

8 676. On or about March 19, 2008, Mr. Urquhart had breakfast with Mr. Cicci, and  
9 they had a general discussion about the projects of Morgan Creek, Mainland, Pierco Energy, and  
10 Pierco Petroleum. Later that day, Mr. Urquhart and Mr. Cicci had another meeting at Pierco  
11 Petroleum's Vancouver office with Mr. Barbon to discuss the following: (a) Morgan Creek's  
12 decision to authorize a 3 for 1 reverse stock split; (b) Morgan Creek's decision to use Mr.  
13 Linniman, the accountant who tracked the profits and losses of well production for Pierco  
14 Energy and/or Pierco Petroleum, as its production accountant; (c) Morgan Creek's decision to  
15 add Mr. Urquhart to and retain Mr. Johnson on its Board of Directors; (d) Mainland's decision  
16 to add Mr. Urquhart to its Board of Directors after Ms. King Horton's resignation; (e) Morgan  
17 Creek's decision to pay Mr. Markham and Mr. Begley \$5,000.00 per month for their services;  
18 and (f) Pierco Petroleum and/or Pierco Energy's decision to pay Mr. Markham and Mr. Begley  
19 \$5,000.00 per month for their services.

20 677. On or about March 19, 2008, Mr. Urquhart also met solely with Mr. Barbon, and  
21 Mr. Barbon presented Mr. Urquhart with copies of two Morgan Creek share certificates – one  
22 certificate was for 1,000,000 shares of stock and was post-dated March 26, 2008, and the other  
23 certificate was for 563,333 shares of stock and was post-dated March 28, 2008.

1           678. During this meeting, Mr. Urquhart inquired as to payment for the Morgan Creek  
2 stock, and Mr. Barbon informed Mr. Urquhart that it had been taken care of and that Mr.  
3 Urquhart did not have to pay anything for the stock.

4           679. During this meeting, Mr. Barbon also presented Mr. Urquhart with copies of four  
5 pre-executed purchase and sale agreements for the shares of common stock Mr. Urquhart was to  
6 receive from Mainland. Mr. Urquhart was told that Mainland could not and/or did not want to  
7 issue new shares of stock; therefore, four current Mainland stockholders were transferring to Mr.  
8 Urquhart a portion of their holdings.

9           680. During this meeting, Mr. Barbon presented Mr. Urquhart with a copy of an  
10 Agreement for Purchase and Sale of Securities with Mr. Newport ("Newport Agreement") for  
11 the acquisition of 196,669 shares of Mainland's common stock. The agreement had already  
12 been executed by Mr. Newport in his individual capacity and in his capacity as President of  
13 Mainland, and the agreement was post-dated April 8, 2008.

14           681. During this meeting, Mr. Barbon presented Mr. Urquhart with a copy of an  
15 Agreement for Purchase and Sale of Securities with Ms. King Horton ("King Horton  
16 Agreement") for the acquisition of 95,000 shares of Mainland's common stock. The agreement  
17 had already been executed by Ms. King Horton in her individual capacity and by Mr. Newport  
18 as President of Mainland. The agreement was also post-dated April 8, 2008.

19           682. During this meeting, Mr. Barbon presented Mr. Urquhart with a copy of an  
20 Agreement for Purchase and Sale of Securities with Abigail ("Abigail Agreement") for the  
21 acquisition of 11,662 shares of Mainland's common stock. The agreement had already been  
22 executed by Mr. Coulthard on behalf of Abigail (as he is the managing member of Abigail) and  
23 by Mr. Newport as President of Mainland. The agreement was also post-dated April 8, 2008.

24           683. During this meeting, Mr. Barbon presented Mr. Urquhart with a copy of an  
25 Agreement for Purchase and Sale of Securities with Mr. Fedun ("Fedun Agreement") for the

1 acquisition of 196,669 shares of Mainland's common stock. The agreement had already been  
2 executed by Mr. Fedun in his individual capacity and by Mr. Newport as President of Mainland.  
3 The agreement was also post-dated April 8, 2008.

4 684. Pursuant to the terms of the Abigail Agreement, the Fedun Agreement, the  
5 Newport Agreement, and the King Horton Agreement, each agreement must be construed in  
6 accordance with Nevada law.

7 685. During this meeting, Mr. Urquhart inquired as to the nominal payment required  
8 for the Mainland stock (approximately \$1,250.00), as each Agreement for Purchase and Sale of  
9 Securities demanded payment of \$0.0025 per share. Mr. Barbon responded that the payment  
10 had been taken care of and that Mr. Urquhart did not have to pay anything for the stock.

11 686. Finally, during this meeting on or about March 19, 2008, Mr. Barbon gave Mr.  
12 Urquhart a share certificate for 500,000 shares of Mainland common stock, and this certificate  
13 was post-dated April 9, 2008.

14 687. On or about March 21, 2008, Mr. Pierce and Mr. Cicci met with Mr. Coulthard to  
15 discuss leasing issues Mr. Newport was facing in northern Louisiana – particularly the difficulty  
16 in offering a sufficient amount of money per acre for the leases so that Mainland could  
17 successfully compete against other oil and gas companies that were seeking to lease land in the  
18 same area.

19 688. In or around mid-March 2008, Mr. Urquhart sent Mr. Pierce, Mr. Cicci, Mr.  
20 Barbon, and Mr. Johnson two cost estimates for review and approval relating to a vertically-  
21 drilled well and a horizontally-drilled well in the DeSoto Parish prospect.

22 689. On or about March 26, 2008, Ms. Dalmy – acting as Mainland's attorney – asked  
23 Mr. Barbon for information relating to Mr. Urquhart's equity holdings in Mainland, presumably  
24 so she could report the same to the Securities & Exchange Commission, and Mr. Barbon  
25

1 informed Ms. Dalmy that Mainland was in the process of issuing Mr. Urquhart his shares and  
2 his stock options.

3 690. On or about March 31, 2008, Mr. Pierce authorized Mr. Newport to offer a  
4 higher-than-originally-planned price per acre and royalty to a landowner in northern Louisiana  
5 for a commitment to drill a test well in the Haynesville Shale on the leased property within one  
6 year.

7 691. On or about March 31, 2008, Mr. Pierce, Mr. Barbon, and Mr. Coulthard also  
8 instructed Mr. Newport to obtain a cost estimate for the drilling and completion of a horizontal  
9 well in the Haynesville Shale of the DeSoto Parish prospect.

10 692. In or around late March 2008, Mainland's competitor, Chesapeake Energy  
11 Corporation announced a Haynesville Shale discovery in Louisiana, and after sending a copy of  
12 Chesapeake's press release to Mr. Cicci, Mr. Barbon, and Mr. Coulthard, Mr. Newport asked  
13 them if this announcement would change Mainland's approach in Louisiana.

14 693. When Mr. Urquhart traveled to Texas and New Mexico in or around February  
15 2008 and March 2008, to review and analyze Morgan Creek's prospects, his travel reservations  
16 were made through Mr. Pierce's travel agent, City Square Travel.

17 694. In or around March 2008 and April 2008, Mr. Newport took instructions from  
18 Mr. Pierce, Mr. Cicci, Mr. Barbon, and Mr. Coulthard on the price per acreage that Mainland  
19 was to offer landowners for leasing rights in Louisiana.

20 695. On or about April 1, 2008, Mr. Barbon sent Mr. Urquhart a letter of consent to  
21 act as Director of Mainland.

22 696. On or about April 2, 2008, Mr. Barbon informed Mr. Urquhart that Mr. Pierce  
23 wanted Mr. Urquhart to provide him with a spreadsheet of the return on investment for the  
24 Mainland properties under various production rate scenarios for each well. Mr. Urquhart  
25 provided this analysis to Mr. Pierce, Mr. Cicci, and Mr. Barbon on or about April 3, 2008.

1           697. In or around April 2008, Mr. Urquhart and Morgan Creek entered into an  
2 Executive Service Agreement, effective April 1, 2008, pursuant to which Mr. Urquhart was  
3 appointed as President, Chief Executive Officer, and Director of Morgan Creek in exchange for  
4 a monthly service fee of \$10,000.00 for consulting and management services and remuneration  
5 of all reasonable expenses incurred in the performance of his services.

6           698. The Executive Services Agreement also confirmed that Mr. Urquhart was to  
7 receive 500,000 shares of Morgan Creek stock options at an exercise price of \$1.00 per share.

8           699. In or around April 2008, Mainland signed a Board of Directors Resolution which  
9 approved a Stock Option Plan Agreement executed by Mr. Urquhart and effective, retroactively,  
10 on April 7, 2008, which conveyed 600,000 shares of Mainland stock options to Mr. Urquhart at  
11 an exercise price of \$1.75 per share.

12           700. On or about April 22, 2008, Morgan Creek's Board of Directors approved a 1 for  
13 3 reverse stock split which reduced Mr. Urquhart's holdings of Morgan Creek's common stock  
14 to 521,111 shares, but had no effect on Mr. Urquhart's stock options pursuant to the terms of the  
15 May 5, 2008 Resolution of Morgan Creek's Board of Directors.

16           701. In or around May 2008, Mr. Kreczmer was appointed as President of Mira  
17 Resources, and he served in this position until in or around September 2009.

18           702. In or around May 2008, a claim was made against Morgan Creek concerning a  
19 project the company had been involved with in 2006. Mr. Paige investigated the claim, and he  
20 sought information for the investigation from Mr. Barbon and Mr. Cicci. Mr. Paige also initially  
21 tried to keep the claim away from Mr. Urquhart's attention – despite the fact that Mr. Urquhart  
22 was the Chief Executive Officer of Morgan Creek – allegedly reasoning that he did not want to  
23 waste Mr. Urquhart's time with a “spurious claim.”

24           703. In or around May 2008, Mr. Newport assisted in obtaining leases of property in  
25 the Emmons area of McLennan County, Texas, for Morgan Creek, and it was intended that these



1 leases would be taken in the name of Meagher Oil – the company for which Mr. Newport served  
2 as a Land Manager – until such time as Morgan Creek and/or the Pierco Land Company could  
3 establish banking relationships in Texas and New Mexico, so that the leases could be assigned to  
4 them.

5 704. In or around early May 2008, Mr. Urquhart wanted Morgan Creek business cards,  
6 and he sent this request to Mr. Barbon.

7 705. In or around late May 2008, Ms. Limanova faxed Mr. Urquhart a director's  
8 resolution for Mira Resources for his signature, and the fax was on Pierco Petroleum's letterhead  
9 and sent to Mr. Urquhart on Mr. Pierce's behalf.

10 706. In or around May 2008, Mr. Urquhart was appointed as a director of Mira  
11 Resources.

12 707. On or about May 1, 2008, Morgan Creek, Pierco Energy, Pierco Petroleum, and  
13 Westrock decided to all share an office located at 5050 Quorum Drive, Suite 700, Dallas Texas,  
14 75254 ("Quorum Drive office"), which had previously been used solely as Morgan Creek's  
15 office

16 708. Shortly thereafter, Mr. Urquhart informed Mr. Pierce, Mr. Cicci, Mr. Barbon, and  
17 Mr. Paige that he had hired an office administrator to run the office for Morgan Creek, Pierco  
18 Energy, Pierco Petroleum, and Westrock.

19 709. On or about May 21, 2008, Mr. Newport received a call from a reporter at *Forbes*  
20 magazine who wanted to ask Mr. Newport some questions about Mainland, and Mr. Cicci made  
21 the decision that Mr. Urquhart, as Director of Mainland, should contact the reporter.

22 710. On or about May 27, 2008, Mr. Barbon drafted a letter to Morgan Creek's  
23 certified public accountants, De Joya Griffith & Company, and he signed the letter as the  
24 "Outside Consultant to Morgan Creek."  
25



1           711. On or about May 29, 2008, Mainland effectuated a 1.5 for 1 forward stock split,  
2 which had been approved by the Board of Directors on or about May 12, 2008. This stock split  
3 increased Mr. Urquhart's holdings to 750,000 shares of Mainland's common stock and 900,000  
4 options in Mainland's stock.

5           712. In or around May 2008 and again in or around July 2008, when Mr. Braumberger  
6 revised and/or re-designed Morgan Creek's letterhead, he sent a copy of the revised letterhead to  
7 Mr. Harris, Ms. Limanova, Mr. Barbon, and Mr. Paige and instructed each of them to use the  
8 new letterhead for all electronic documents involving Morgan Creek.

9           713. In or about late May 2008, Mr. Newport prepared a press release about the  
10 staking of a Haynesville Shale test well in the DeSoto Parish prospect, and he sent the release to  
11 Mr. Coulthard for review and comment. Mr. Coulthard promptly forwarded the release to Mr.  
12 Cicci for additional review and comment, and Mr. Cicci then forwarded the draft release to Mr.  
13 Pierce, informing him that Mr. Braumberger could edit and revise the release.

14           714. In or around late May 2008, Mr. Pierce and/or Mr. Cicci tasked Mr. Braumberger  
15 with creating an executive summary for Morgan Creek, and Mr. Urquhart informed Mr.  
16 Braumberger that he thought that the creation of the summary was premature, given that Morgan  
17 Creek had not yet even secured leasing positions for some of its prospects. In response, Mr.  
18 Braumberger stated that the executive summary was not for wide, public release, but rather for a  
19 select group of investors who would be instructed to keep the summary confidential.

20           715. Before complying with Mr. Braumberger's request for assistance with the  
21 summary, Mr. Urquhart asked Mr. Cicci for instructions as to how to proceed, and Mr. Cicci  
22 informed Mr. Urquhart that it was "suggested" that he work with Mr. Braumberger as requested  
23 and that Mr. Urquhart should take note that time was "exceedingly of the essence," as the  
24 executive summary was going to be given to a core group of people that would help "put the  
25 money together" for Morgan Creek.

1           716. In or around June 2008, Mr. Barbon was in the process of setting up bank  
2 accounts in Dallas, Texas, for Morgan Creek.

3           717. In or around June 2008, Mr. Cicci asked Mr. Newport to speak to Mr. Thompson  
4 about Mainland and the economic models for the Haynesville Shale in Louisiana, so that Mr.  
5 Thompson could make a presentation about Mainland to a “money fund.”

6           718. In or around late June 2008, Mr. Urquhart provided Mr. Newport, Mr. Cicci, Mr.  
7 Pierce, and Mr. Barbon, at their request, with a three-year economic model for a horizontal well  
8 in Mainland’s Haynesville Shale Desoto Parish prospect.

9           719. In or around late June 2008, Mr. Newport informed Mr. Cicci and Mr. Barbon  
10 that 21<sup>st</sup> Century Business had approached Mr. Newport about doing a segment on Mainland,  
11 and Mr. Newport asked Mr. Cicci and Mr. Barbon if this was something Mainland would be  
12 interested in pursuing.

13           720. In or around early July 2008, Mr. Markham sent Mr. Pierce and Mr. Cicci a  
14 memorandum detailing the status of all of Morgan Creek’s projects, which Mr. Urquhart revised  
15 to include his own thoughts and analyses.

16           721. In or around early July 2008, Morgan Creek intended to have OPS Group  
17 Limited – a potential operator for Mainland – work jointly with Pierco Energy to drill and  
18 complete a well on a lease Morgan Creek had acquired on the Cuellar prospect in Zapata  
19 County, Texas.

20           722. In or around July 2008, Ms. Limanova sent Mr. Urquhart a press release  
21 concerning Mainland’s agreement with Petrohawk and, at Mr. Cicci’s request and direction, an  
22 article from the *New York Times* regarding the rush for natural gas in the southern United States.

23           723. In or around July 2008, Mr. Harris sent Mr. Barbon an audit engagement letter  
24 for Morgan Creek, and Mr. Harris asked that Mr. Barbon obtain Mr. Urquhart’s signature on the  
25 engagement letter.

1           724. On or about July 9, 2008, Mr. Newport received a project report concerning  
2 Morgan Creek's Texas and New Mexico properties, and Mr. Newport promptly forwarded the  
3 report to Mr. Barbon and Mr. Cicci for review.

4           725. On or about July 17, 2008, Mr. Newport informed Mr. Cicci that a representative  
5 from the American Stock Exchange had contacted Mr. Newport several times about Mainland  
6 being listed on that exchange, and Mr. Newport told Mr. Cicci that he wanted to speak to  
7 someone about what he should say about Mainland, particularly with regard to Mainland's  
8 history, shares, warrants, future growth, number of board directors, concentration of stock, and  
9 exchange listings. Mr. Newport was very concerned about providing the "wrong or bad answer"  
10 to these questions, so he asked Mr. Cicci to let him talk to someone about these issues or have  
11 someone provide him with a list of facts about the company.

12           726. In or around mid-July 2008, Mainland entered into a farm-out contract with  
13 Petrohawk Energy Corporation ("Petrohawk") for Mainland's DeSoto Parish leases, whereby  
14 Petrohawk became the senior working-interest owner below the base of the Cotton Valley Sand  
15 to the base of the Smackover Sand and the named operator on Mainland's proposed Griffith #1  
16 well in the Haynesville Shale of the DeSoto Parish prospect, in the place and stead of  
17 Mainland's original operator, OPS Group Limited.

18           727. When Mr. Urquhart expressed concern about Mainland issuing a press release  
19 about the Petrohawk contract before giving notice of termination to OPS Group Limited, Mr.  
20 Pierce instructed Mr. Urquhart not to give OPS Group Limited notice of termination because  
21 Mainland still intended to use OPS Group Limited as the named operator on the DeSoto Parish  
22 prospect leases above the base of the Cotton Valley Sand – as this had been exempted from the  
23 Petrohawk farm-out contract.

24           728. On or about July 25, 2008, Mr. Urquhart informed Mr. Cicci and Mr. Pierce that  
25 based on the first production/revenue analysis performed by Mr. Linniman and a "three times

1 annual cash flow” formula, it was Mr. Urquhart’s belief that the properties included in the  
 2 proposed Pierco Petroleum sales packages were worth significantly less money than Mr. Barbon  
 3 and Mr. Begley had originally estimated in or around March 2005, when the sales packages  
 4 were put together.

5 729. Specifically, Pierco Petroleum’s approximately 50 wells in Oklahoma were  
 6 determined to have only marginal production, and approximately half of these wells were shut-  
 7 in or carried a “substantial ‘plug-and-abandon’ obligation.” Therefore, it was estimated that the  
 8 aggregate value of these wells was closer to \$1 million – not the \$3 million value originally  
 9 estimated by Mr. Barbon and Mr. Begley.

10 730. On or about July 25, 2008, Mr. Urquhart informed Mr. Cicci and Mr. Pierce that  
 11 he had finally obtained the necessary records and information as to the history of the Boggs #1  
 12 well near Waco, Texas, and it appeared that everything that could have been “screwed up”  
 13 during the drilling and completion of the well in 2007, apparently had been “screwed up.” Mr.  
 14 Urquhart informed Mr. Pierce and Mr. Cicci of all of the problems and issues relating to the well  
 15 and told them that he thought the well had “no real upside” for Morgan Creek.

16 731. On or about August 1, 2008, Petrohawk’s representative requested that Mr.  
 17 Newport provide Petrohawk with evidence of “corporate authority,” in the form of a board of  
 18 directors’ resolution or something of that nature, which demonstrated the authority to enter into  
 19 the agreement with Petrohawk. Mr. Newport subsequently asked Mr. Barbon and Mr. Cicci if  
 20 he could get something to demonstrate corporate authority.

### 21 **Additional Facts Pertaining to Morgan Creek and Mainland**

#### 22 **Morgan Creek**

23 732. Mr. Urquhart and Westhampton are informed and believe that, during the  
 24 relevant times of this dispute, Mr. Pierce, Mr. Cicci, and/or Mr. Barbon are express, implied,  
 25 and/or apparent agents of Morgan Creek, and they operated and served in this capacity in their

1 dealings with Mr. Urquhart and Westhampton, including, but not limited to, in the negotiation  
2 and execution of stock transfer agreements, stock option agreements, executive service  
3 agreements, and/or consulting and/or management agreements with Mr. Urquhart and  
4 Westhampton.

5 733. Mr. Urquhart and Westhampton are informed and believe that, during the  
6 relevant times of this dispute, Mr. Barbon drafted Morgan Creek's financial statements.

7 734. Mr. Urquhart and Westhampton are informed and believe that, during the  
8 relevant times of this dispute, Morgan Creek paid Mr. Barbon \$5,000.00 per month for services  
9 he performed for Morgan Creek.

10 735. During the relevant times of this dispute, Mr. Braumberger routinely sent a pre-  
11 release version of final drafts of Morgan Creek's press releases to Mr. Pierce, Mr. Pierce's  
12 daughter Krista Pierce, Mr. Cicci, Mr. Barbon, Ms. Limanova, Ms. Fralick, and Ms. Ebert.

13 736. Mr. Urquhart and Westhampton are informed and believe that, during the  
14 relevant times of this dispute, Mr. Pierce was involved with Morgan Creek's press releases,  
15 having ultimate control over and approval of the content and timing of the press releases.

16 737. Mr. Urquhart and Westhampton are informed and believe that, during the  
17 relevant times of this dispute, Mr. Cicci was involved with Morgan Creek's press releases, as he  
18 routinely approved the content of the press releases and was often in control of and/or directed  
19 the timing of the press releases.

20 738. Mr. Urquhart and Westhampton are informed and believe that, during the  
21 relevant times of this dispute, Mr. Barbon was also involved with reviewing and revising the  
22 content of Morgan Creek's press releases, and at times he even controlled and directed the  
23 content and timing of some of the press releases.

1           739. During the relevant times of this dispute, Ms. Dalmy routinely sent SEC-related  
2 documents for Morgan Creek to Mr. Barbon so that he could obtain the necessary signatures and  
3 file the documents with the SEC.

4           740. During the relevant times of this dispute, Ms. Dalmy also routinely sent  
5 resolutions of the Board of Directors for Morgan Creek to Mr. Barbon so that he could obtain  
6 the necessary signatures.

7           741. During the relevant times of this dispute, Mr. Paige drafted and/or revised  
8 numerous contracts and agreements for Morgan Creek, including, but not limited to, the joint  
9 venture agreement with CSB, the engagement letter to PMB + Helin Donovan, Mr. Urquhart and  
10 Westhampton's Executive Services Agreement, and a master operating agreement with Harvard  
11 Petroleum.

12           742. During the term of Mr. Urquhart's service as Director of Morgan Creek, no  
13 meetings of the Board of Directors were ever held – either in person or telephonically, other than  
14 a few conference calls to discuss the company's financials. Rather, Mr. Barbon prepared  
15 Resolutions for the directors' review and signature for all matters that required the Board of  
16 Directors' approval and/or authorization. The directors would then return the signed resolutions  
17 to Mr. Barbon for filing and distribution.

18           743. From in or around mid-February 2008 to in or around August 2008, Mr. Urquhart  
19 routinely provided Mr. Pierce, Mr. Cicci, Mr. Barbon and Mr. Johnson with updates as to all of  
20 Morgan Creek's projects, including, but not limited to: (a) the work performed by Mr. Begley;  
21 (b) the work performed by Mr. Markham; (c) the status of Morgan Creek's land leasing and  
22 acquisition efforts; (d) the status of efforts to find operators for Morgan Creek's wells; (e)  
23 estimates of costs and expenses; (f) analyses of the benefits and risks of Morgan Creek's  
24 prospects; and (g) efforts to contract with joint venture partners for the development of Morgan  
25 Creek's prospects.

1           744. Between in or around mid-February 2008 to in or around August 2008, Mr.  
2 Urquhart and Westhampton would routinely send Mr. Pierce and Mr. Cicci copies of Mr.  
3 Urquhart and Westhampton's invoices for the services rendered to Morgan Creek, especially if  
4 Mr. Barbon was late in paying the invoices.

5           745. Between in or around mid-February 2008 to in or around August 2008, whenever  
6 Mr. Urquhart wanted to pay one of Morgan Creek's invoices or bills, he had to request that Mr.  
7 Barbon pay the invoice for Morgan Creek or transfer the funds to the appropriate party on behalf  
8 of Morgan Creek.

9           746. On or about June 7, 2007, Morgan Creek commenced drilling its first well – the  
10 Boggs #1 well – and drilling was completed on or about July 13, 2007.

11           747. In or around September 2007, Morgan Creek reported that four of the five tested  
12 zones in the Boggs #1 well produced significant volumes of natural gas with BTU values of  
13 1,000, which Morgan Creek claimed would yield a premium price over the current U.S. average  
14 natural gas price.

15           748. However, Morgan Creek also disclosed that water was also produced in the tested  
16 zones, and, therefore, the well was "under evaluation" by Morgan Creek.

17           749. The Boggs #1 well is still under "evaluation" today, and no additional  
18 information about the status or prospects of this well have ever been disclosed to the public.

19           750. Drilling costs for the Boggs #1 well totaled approximately \$1.3 million by  
20 February 2008, and 100 percent of these costs were supposed to have been funded by non-  
21 publicly-disclosed investors who received a 75-percent working interest and 54-percent net  
22 revenue interest in the lease. However, the investors only funded \$759,000.00 of the incurred  
23 costs.

24           751. On or about March 24, 2008, Morgan Creek negotiated with the investors to  
25 acquire their interest in the lease for an amount equal to their \$759,000.00 investment and



1 forgiveness of the additional amounts due and owing. Morgan Creek repaid the \$759,000.00  
2 investment to the private investors through the issuance of over 3.7 million shares of stock (pre-  
3 April 2008 stock split).

4 Mainland

5 752. Mr. Urquhart and Westhampton are informed and believe that, during the  
6 relevant times of this dispute, Mr. Pierce, Mr. Cicci, and/or Mr. Barbon are express, implied,  
7 and/or apparent agents of Mainland, and they operated and served in this capacity in their  
8 dealings with Mr. Urquhart and Westhampton, including, but not limited to, the negotiation and  
9 execution of stock transfer agreements, stock option agreements, and/or a consulting agreement  
10 with Mr. Urquhart and Westhampton.

11 753. Mr. Urquhart and Westhampton are informed and believe that, during the  
12 relevant times of this dispute, Abigail was the express, implied, and/or apparent agent of  
13 Mainland, and Abigail served in this capacity in its dealings with Mr. Urquhart and  
14 Westhampton during the negotiation and execution of the stock transfer agreements, and all  
15 other related agreements thereto.

16 754. Mr. Urquhart and Westhampton are informed and believe that, during the  
17 relevant times of this dispute, Mr. Fedun, Ms. King Horton, and/or Mr. Newport were the  
18 express, implied, and/or apparent agents of Mainland, and Mr. Fedun, Ms. King Horton, and Mr.  
19 Newport served in this capacity in their dealings with Mr. Urquhart and Westhampton during the  
20 negotiation and execution of the stock transfer agreements, and all other agreements related  
21 thereto.

22 755. Mr. Urquhart and Westhampton are informed and believe that, during the  
23 relevant times of this dispute, Mr. Pierce, Mr. Cicci, and/or Mr. Barbon are express, implied,  
24 and/or apparent agents of Abigail, Mr. Fedun, Ms. King Horton, and/or Mr. Newport, and they  
25 operated and served in this capacity in their dealings with Mr. Urquhart and Westhampton,

1 including, but not limited to, the negotiation and execution of the stock transfer agreements and  
2 all other agreements related thereto.

3 756. Throughout the course of Mr. Urquhart's involvement with Mainland, Mr. Cicci  
4 reviewed, revised, and edited draft contracts between Mainland and third-party operators and/or  
5 joint venture partners.

6 757. During the first six months of 2008, Mr. Barbon set up bank accounts in Houston,  
7 Texas, for Mainland, performed a year-end audit for Mainland, and circulated board of director  
8 resolutions for review and execution.

9 758. Mr. Urquhart and Westhampton are informed and believe that, during the  
10 relevant times of this dispute, Mr. Paige reviewed, revised, and edited draft contracts between  
11 Mainland and third-party operators and/or joint venture partners.

12 759. Mr. Paige also reviewed and revised Mainland's documents relating to the  
13 acquisition of leases in the DeSoto Parish prospect from Kingsley Resources.

14 760. Throughout the first six months of 2008, Mr. Cicci sent Mr. Pierce numerous  
15 news articles regarding the Haynesville Shale prospects in northern Louisiana and the potential  
16 for great drilling success in that area.

17 761. Mr. Urquhart and Westhampton are informed and believe that, during the  
18 relevant times of this dispute, Mr. Pierce was involved with Mainland's press releases, having  
19 ultimate control over and approval of the content and timing of the press releases.

20 762. Mr. Urquhart and Westhampton are informed and believe that, during the  
21 relevant times of this dispute, Mr. Cicci was also involved with Mainland's press releases, as he  
22 routinely approved the content of the press releases and was often in control of and/or directed  
23 the timing of the press releases.

24 763. Mr. Urquhart and Westhampton are informed and believe that, during the  
25 relevant times of this dispute, Mr. Barbon was involved with reviewing and revising drafts of

1 Mainland's press releases, and, at times, he even controlled and/or directed the content and  
2 timing of some of the press releases.

3 764. Mr. Urquhart and Westhampton are informed and believe that, during the  
4 relevant times of this dispute, Mr. Coulthard was involved with Mainland's press releases, as he  
5 reviewed and revised drafts of Mainland's press releases, and, at times, controlled and/or  
6 directed the content and timing of the press releases.

7 765. Throughout the course of Mr. Urquhart's involvement with Mainland, Mr.  
8 Newport routinely used an e-mail address with the domain name of his other employer –  
9 Meagher Oil – to conduct Mainland-related business.

10 766. During the relevant times of this dispute, Mr. Newport routinely sent Mr. Cicci,  
11 Mr. Coulthard, and Mr. Barbon status updates concerning Mainland's land leasing and  
12 acquisition efforts, leasing strategies, and negotiations of agreements with operators and joint  
13 venture partners, among other things.

14 767. During the term of Mr. Urquhart's service as Director of Mainland, no meetings  
15 of the Board of Directors were ever held – either in person or telephonically. Rather, Mr.  
16 Barbon prepared Resolutions for the directors' review and signature for all matters that required  
17 the Board of Directors' approval and/or authorization. The directors would then return the  
18 signed resolutions to Mr. Barbon for filing and distribution.

19 768. On or about June 16, 2009, Mainland effectuated a 2 for 1 forward stock split,  
20 which the Board of Directors had previously approved on June 12, 2009.

21 769. The June 2009 stock split increased Mr. Urquhart's holdings to 1,500,000 shares  
22 of Mainland's common stock and 1,800,000 options in Mainland's stock.

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**The Creation of Westrock Land Corporation**

770. Mr. Urquhart and Westhampton are informed and believe that, during the relevant times of this dispute, Mr. Pierce directly and/or indirectly owned, controlled, and/or influenced Westrock Land Corporation ("Westrock").

771. Mr. Urquhart and Westhampton are informed and believe that, during the relevant times of this dispute, Mr. Cicci, along with Mr. Pierce, directly and/or indirectly controlled and/or influenced Westrock.

772. Mr. Urquhart and Westhampton are informed and believe that, during the relevant times of this dispute, Mr. Barbon is and/or was an employee, agent, and/or consultant of Westrock.

773. On or about March 1, 2008, Mr. Urquhart prepared a "moving forward proposal" for Mr. Pierce and Mr. Cicci which addressed future plans for Morgan Creek, Pierco Energy and Pierco Land, Inc. Mr. Urquhart suggested that Pierco Land Inc., a new subsidiary, be created to acquire oil and gas leases for development through farm-out agreements with Morgan Creek, Pierco Energy, Mainland, and other parties.

774. Mr. Cicci approved of Mr. Urquhart's "moving forward proposal," and he informed Mr. Urquhart on or about March 1, 2008, that he would discuss the proposal with Mr. Pierce as soon as Mr. Pierce returned from his trip from Europe, because Mr. Pierce would make "the final decision."

775. Mr. Urquhart and Westhampton are informed and believe that Mr. Pierce approved of the moving forward proposal, because Mr. Barbon was tasked with setting up the new land company.

776. On or about April 9, 2008, Mr. Barbon informed Mr. Urquhart that the new land company had been set up as a new, separate entity. It had been incorporated in Texas, and it was called Westrock, rather than Pierco Land Company.

1           777. Between in or around April 2008 and in or around August 2008, Mr. Barbon  
2 worked on setting up bank accounts for Westrock.

3           778. Mr. Urquhart and Westhampton are informed and believe that, during the  
4 relevant times of this dispute, Mr. Powers is and/or was the President of Westrock.

5           779. Mr. Urquhart and Westhampton are informed and believe that, during the  
6 relevant times of this dispute, Mr. Markham performed services for Westrock.

7           780. Mr. Urquhart and Westhampton are informed and believe that Mr. Pierce made  
8 the decision that Westrock should have its own logo, rather than use Pierco Petroleum and/or  
9 Pierco Energy's logo.

10          781. Mr. Urquhart and Westhampton are informed and believe that, during the  
11 relevant times of this dispute, Mr. Braumberger designed the logo and letterhead for Westrock.

12          782. In or around early May 2008, Mr. Urquhart wanted Westrock business cards, and  
13 he sent this request to Mr. Barbon.

14          783. In or around May 2008 to in or around August 2008, many of the lands and leases  
15 acquired by Morgan Creek were ultimately leased and acquired in the name of Westrock – rather  
16 than Morgan Creek – and the costs and expenses associated with these leases were also billed to  
17 Westrock rather than Morgan Creek.

18          784. In or around May 2008 to July 2008, Mr. Newport's employer, Meagher Oil, sent  
19 Westrock invoices for work it performed in Lamar County, Mississippi; in the Emmons Prospect  
20 in Texas; in McLennan County, Texas; and in Curry County, New Mexico.

21          785. In or around June 2008, Mr. Pierce and Mr. Cicci agreed to establish a policy to  
22 award a gross over-riding royalty through Westrock to anyone involved in the generation of  
23 viable exploration and development projects for Westrock.

24  
25

1           786. In or around August 2008, Mira Resources and Westrock negotiated an option  
2 agreement pursuant to which Mira Resources could acquire acreage in Lamar and Forrest  
3 Counties, Mississippi, from Westrock.

4           787. On or about September 3, 2008, Mainland entered into an option agreement with  
5 Westrock to acquire the same acreage in Lamar and Forrest Counties, Mississippi. After paying  
6 Westrock between \$1,300,000.00 to \$1,400,000.00 to extend the option period for over one  
7 year, Mainland's Board of Directors, on or about February 10, 2010, determined that this project  
8 was not in the best interests of Mainland and forfeited all of the money.

9           788. In or around October 2008, Morgan Creek entered into an option agreement with  
10 Westrock to acquire an interest in Westrock's acreage in Curry County, New Mexico.

11                   **The Termination of Mr. Urquhart's Executive Positions and Services**

12           789. In or around late July 2008 or early August 2008, Mainland, Morgan Creek,  
13 Pierco Petroleum, Pierco Energy, and Mira Resources terminated Mr. Urquhart's services and  
14 positions with the companies.

15           790. On or about August 8, 2008, after the request for Mr. Urquhart's resignation, Mr.  
16 Urquhart and Westhampton sent Mr. Barbon an invoice for the engineering services that Mr.  
17 Urquhart had rendered to Mainland in the amount of \$5,250.00.

18           791. On or about August 8, 2008, Mr. Urquhart and Westhampton also sent Mr.  
19 Barbon an invoice for management services that Mr. Urquhart had rendered to Morgan Creek in  
20 the amount of \$10,500.00.

21           792. On or about August 8, 2008, Mr. Urquhart and Westhampton also sent Mr.  
22 Barbon an invoice for management services that Mr. Urquhart had rendered to Pierco Petroleum  
23 and/or Pierco Energy in the amount of \$5,250.00.

1           793. On or about August 8, 2008, Mr. Urquhart and Westhampton also sent Mr.  
2 Barbon an invoice for the expenses that Mr. Urquhart had incurred while engaging in services  
3 for Morgan Creek in the amount of \$5,187.27.

4           794. Between in and around mid-February 2008 to in or around August 2008, Mr.  
5 Urquhart and Westhampton sent all of their invoices for services rendered to Pierco Energy  
6 and/or Pierco Petroleum to Mr. Barbon's attention at the Quorum Drive office, with copies of  
7 the invoices also being sent to Mr. Pierce and Mr. Cicci.

8           795. Between in or around mid-February 2008 to in or around March 2008, Mr.  
9 Urquhart and Westhampton sent their invoices for the services rendered to Morgan Creek to Mr.  
10 Barbon's attention at Morgan Creek, care of Pierco Petroleum at Pierco Petroleum's Vancouver  
11 office.

12           796. Between in or around April 2008 to in or around August 2008, Mr. Urquhart and  
13 Westhampton sent their invoices for services rendered to Morgan Creek to Mr. Barbon's  
14 attention at Morgan Creek's Quorum Drive office.

15           797. Between in and around mid-February 2008 to in or around August 2008,  
16 Westhampton and Mr. Urquhart sent their invoices for the services rendered to Mainland to Mr.  
17 Barbon's attention at Mainland's Houston office.

18           798. During August 2008 and September 2008, after the request for Mr. Urquhart's  
19 resignation, Mr. Urquhart's attorney, Phillip Meyers ("Mr. Meyers"), and Mr. Urquhart  
20 exchanged numerous written communications with Ms. Dalmy regarding the details of the  
21 termination of Mr. Urquhart's services and agreements with Mainland, Morgan Creek, Pierco  
22 Petroleum, Pierco Energy, and Mira Resources.

23           799. On or about August 8, 2008, Ms. Dalmy sent Mr. Urquhart and Westhampton a  
24 letter ("Termination Letter") – in her capacity as "US corporate counsel for Morgan Creek  
25 Energy Corporation . . . [and] Mainland Resources Inc. . . .", and as agent and legal representative



1 for Mira Resources Corp. . . . and Pierco Petroleum Inc. and Pierco Energy Inc. . .” – advising  
2 Mr. Urquhart that Mainland and Mira had decided to replace him as director of both companies.  
3 The Termination Letter also advised Mr. Urquhart that Morgan Creek had decided to replace  
4 him as Chief Executive Officer, President, and Director of the company.

5 800. The Termination Letter informed Mr. Urquhart that Mainland and Morgan Creek  
6 were heading in “new direction[s] in corporate governance and management,” and that this  
7 required “strategic changes in the style and emphasis of management and board of director  
8 personnel.”

9 801. The Termination Letter also informed Mr. Urquhart that the termination of his  
10 positions with Mainland and Morgan Creek was not intended to reflect adversely on the  
11 contributions he had made to both companies.

12 802. The Termination Letter also advised Mr. Urquhart and Westhampton that the  
13 Morgan Creek Executive Service Agreement was being terminated, and, pursuant to the terms of  
14 the contract, Mr. Urquhart and Westhampton were entitled to a one-month termination fee of  
15 \$10,000.00, as well as reimbursement of any costs and expenses submitted for payment through  
16 August 8, 2008.

17 803. The Termination Letter further advised that Mr. Urquhart and Westhampton  
18 would be paid a 30-day service fee in the amount of \$10,000.00 for the termination of their  
19 verbal consulting agreement with “certain private companies forming the Pierco Group.”

20 804. The Termination Letter also informed Mr. Urquhart that he had 90 days, until  
21 November 6, 2008, in which to exercise his stock options in both Mainland and Morgan Creek

22 805. The Termination Letter also stated that Mr. Urquhart would retain all of the  
23 shares of common stock issued to him by Mainland and Morgan Creek.

24 806. Finally, Ms. Dalmy attempted to classify the Termination Letter as a “settlement  
25 agreement” and informed Mr. Urquhart that he would be paid pursuant to the terms set forth in

1 the Termination Letter if he executed the Termination Letter, signaling his agreement to “release  
2 and remise [Mainland, Morgan Creek, Mira Resources, Pierco Petroleum, and Pierco Energy]  
3 from any and all claims [he and/or Westhampton] have or may have against” the companies.

4 807. Mr. Urquhart did not execute the Termination Letter and did not understand why  
5 Ms. Dalmy would refer to its contents as a “settlement agreement,” as opposed to a notice of  
6 termination, as there were no disputes between Mr. Urquhart and/or Westhampton and  
7 Mainland, Morgan Creek, Mira Resources, Pierco Petroleum, and/or Pierco Energy between  
8 August 2008 and early September 2008.

9 808. Finally, the Termination Letter did not demand payment for the stock transfers  
10 set forth in the Abigail Agreement, the Fedun Agreement, the King Horton Agreement, or the  
11 Newport Agreement, or for the stock transfer from Morgan Creek. The Termination Letter also  
12 did not make any reference to any monies due and owing for such stock transactions.

13 809. On or about August 19, 2009, Mr. Meyers responded to the Termination Letter  
14 by informing Ms. Dalmy that Mr. Urquhart and Westhampton were agreeable to a parting of  
15 ways with Mainland, Morgan Creek, Mira Resources, Pierco Petroleum, and Pierco Energy, and  
16 that Mr. Urquhart only requested assistance in verifying his ownership of his common shares of  
17 Mainland and Morgan Creek stock and his entitlement to stock options in both companies.

18 810. Specifically, Mr. Meyers asked Ms. Dalmy to confirm that Mr. Urquhart owned:  
19 (1) 750,000 shares of stock in Mainland (post-May 2008 stock split) that had been fully paid for  
20 and were not restricted; (2) 900,000 shares of unrestricted options in Mainland stock (post-May  
21 2008 stock split) at an exercise price of \$1.166 per share; (3) 521,111 shares of stock in Morgan  
22 Creek (post-April 2008 stock split) that had been fully paid for and were not restricted; and (4)  
23 500,000 shares of unrestricted options in Morgan Creek stock (post-April 2008 stock split) at an  
24 exercise price of \$1.00 per share.  
25

1           811. On or about September 2, 2008, Ms. Dalmy sent Mr. Meyers a letter  
2 (“Confirmation Letter”) in response to the August 19, 2008 correspondence, confirming Mr.  
3 Urquhart’s ownership of 750,000 shares of Mainland common stock and mistakenly  
4 representing that Mr. Urquhart owned 600,000 shares of Mainland stock options (as Ms. Dalmy  
5 properly credited Mr. Urquhart with the May 2008 stock split for his shares of common stock,  
6 but failed to account for the May 2008 stock split for his stock options).

7           812. The Confirmation Letter provided Mr. Urquhart with an explanation of Rule 144  
8 of the Securities Act of 1933 and disclosed that Mr. Urquhart was free to commence selling his  
9 shares of stock in compliance with this rule on October 8, 2008.

10           813. Ms. Dalmy represented that she would be sending Mr. Urquhart a similar letter  
11 confirming his ownership of the Morgan Creek stock and stock options; however, this letter was  
12 never received.

13           814. On or about September 4, 2008, Mr. Meyers sent Ms. Dalmy a letter in response  
14 to the Confirmation Letter, informing her that Mr. Urquhart intended to commence selling his  
15 shares of Mainland’s common stock on October 8, 2008, and that his required brokerage dealer  
16 would be RBC Dominion Securities, Inc.

17           815. Mr. Meyers also informed Ms. Dalmy, in his September 4, 2008 correspondence,  
18 that Mr. Urquhart intended to exercise his options in Mainland stock around the same time that  
19 he commenced selling his stock in Mainland – around October 2008. To that end, Mr. Meyers  
20 requested that Mr. Urquhart be given 180 days, rather than 90 days, to exercise his options.

21           816. On or about September 7, 2008, Ms. Dalmy e-mailed Mr. Urquhart, Mr. Meyers,  
22 Mr. Barbon, and a representative of RBC Dominion Securities, Inc., advising them of the  
23 volume limitations on the sale of securities under Rule 144 of the Securities Act of 1933, and  
24 stating that she would ask “management” about extending the option-exercise period to 180 days  
25 for Mr. Urquhart’s options in Mainland stock.

1           817. On or about September 8, 2008, Mr. Cicci called Mr. Urquhart to discuss what he  
2 called a “confidential” subject matter; however, Mr. Urquhart never gave Mr. Cicci any formal  
3 acknowledgement or affirmation of Mr. Cicci’s characterization of the subject of their telephone  
4 call.

5           818. During this September 8, 2008 telephone call, Mr. Cicci stated that Mainland was  
6 prepared to extend the option-exercise period for Mr. Urquhart’s options in Mainland’s stock to  
7 a term of one year if Mr. Urquhart agreed to cooperate with Mainland in controlling Mainland’s  
8 stock price. Specifically, Mr. Cicci asked Mr. Urquhart to postpone the sale of his shares of  
9 Mainland common stock until the following year and to sell in volumes significantly lower than  
10 the volume limitations imposed by Rule 144 of the Securities Act of 1933 so that Mainland  
11 could maintain and/or increase its stock price while Mainland drilled its first well on the DeSoto  
12 Parish prospect.

13           819. Mr. Urquhart responded to this request by informing Mr. Cicci that he intended to  
14 liquidate \$1 million of his stock in Mainland by the end of 2008 (approximately 166,000 shares  
15 of stock or 1/3 of the allowable limit pursuant to Rule 144 of the Securities Act of 1933). Mr.  
16 Urquhart also informed Mr. Cicci that he would agree to sell his remaining shares of stock in  
17 Mainland in similarly low volumes if Mainland agreed to extend his option-exercise period to 12  
18 months for 300,000 shares of stock options, 18 months for another 300,000 shares of stock  
19 options, and 24 months for the remaining 300,000 shares of stock options.

20           820. Mr. Urquhart never received a response to this request.

21           821. Rather, on or about September 12, 2008, Ms. Dalmy sent Mr. Urquhart,  
22 Westhampton, and Mr. Meyers a letter stamped “Without Prejudice” (“Without Prejudice  
23 Letter”), stating that a so-called “settlement offer” set forth in the Termination Letter was being  
24 rescinded.

1           822. The Without Prejudice Letter inaccurately claims that Mr. Urquhart had refused  
2 to tender his resignation as a director of Mainland and as an officer and director of Morgan  
3 Creek; therefore, the Boards of Directors of both entities were going to formally commence  
4 meetings to remove Mr. Urquhart as a director of Mainland and as director, President, and Chief  
5 Executive Officer of Morgan Creek.

6           823. In complete contradiction to the representations made in the Termination Letter,  
7 the Without Prejudice Letter stated that Morgan Creek was terminating Mr. Urquhart's  
8 Executive Service Agreement because the "managers," Board of Directors, and "investors" had  
9 "lost confidence" in Mr. Urquhart's "competence to effectively manage and lead" Morgan  
10 Creek.

11           824. The Without Prejudice Letter further claimed that the same reasoning applied to  
12 the termination of Mr. Urquhart's executive positions with Mainland.

13           825. The Without Prejudice Letter also informed Mr. Urquhart – for the very first time  
14 – that Mainland and Morgan Creek were taking the position that Mr. Urquhart had not paid for  
15 his shares of common stock in the two entities, and that Mainland and Morgan Creek considered  
16 the alleged non-payment to be reasonable grounds to refuse to issue the shares to any purported  
17 transferee or to remove the trading restrictions on the shares.

18           826. Finally, the Without Prejudice Letter stated that the Board of Directors of Morgan  
19 Creek was reconsidering the "appropriateness" of giving Mr. Urquhart 500,000 shares of stock  
20 options for "less than six months' employment."

21           827. Similarly, in or around September 2008 and/or October 2008, Mainland and/or its  
22 agents expressly and/or impliedly threatened to also have its Board of Directors "reconsider"  
23 giving Mr. Urquhart 900,000 shares of stock options for such a short period of employment.  
24  
25

1           828. Between March 19, 2008 and September 12, 2008, Mr. Newport, Mr. Fedun, Ms.  
2 King Horton, Abigail, and Mainland never demanded that Mr. Urquhart tender payment for his  
3 500,000 shares of Mainland stock (pre-May 2008 stock split).

4           829. Between March 19, 2008 and September 12, 2008, Morgan Creek never  
5 demanded that Mr. Urquhart tender payment for his 1,563,333 shares of Morgan Creek stock  
6 (pre-April 2008 stock split).

7           830. On or about September 17, 2008, as a result of the August 8, 2008 Termination  
8 Letter from Ms. Dalmy, Mr. Urquhart executed a resignation as a director of Mira Resources.  
9 Mr. Urquhart owned no shares of stock in Mira Resources at the time of his resignation.

10          831. Mr. Urquhart is informed and believes that on or about October 30, 2008,  
11 Abigail, Mr. Fedun, Ms. Horton, Mr. Newport, and Mainland executed an agreement pursuant to  
12 which they declared as void and rescinded the Abigail Agreement, Fedun Agreement, King  
13 Horton Agreement, and Newport Agreement ("Rescinding Agreement). Mr. Urquhart is also  
14 informed and believes that Abigail, Mr. Fedun, Ms. Horton, and Mr. Newport transferred Mr.  
15 Urquhart's 750,000 shares of Mainland stock to Abigail, and Mr. Fedun, Ms. Horton, and Mr.  
16 Newport assigned their rights to sue Mr. Urquhart pursuant to the terms of the Abigail  
17 Agreement, the Fedun Agreement, the King Horton Agreement, and the Newport Agreement to  
18 Abigail.

19          832. Abigail, Mr. Fedun, Ms. King Horton, Mr. Newport, and Mainland expressly  
20 agreed that the Rescinding Agreement was to be construed and enforced in accordance with, and  
21 the rights of the parties were to be governed by, Nevada law.

22          833. Abigail, Mr. Fedun, Ms. King Horton, Mr. Newport, and Mainland expressly  
23 agreed that all disputes arising under the Rescinding Agreement, whether as to interpretation,  
24 performance, or otherwise, were subject to the jurisdiction of the courts of Nevada.  
25

1           834. Abigail, Mr. Fedun, Ms. King Horton, Mr. Newport, and Mainland expressly  
2 agreed that for all disputes arising under the Rescinding Agreement, whether as to interpretation,  
3 performance, or otherwise, they each irrevocably attorned to the jurisdiction of the Nevada  
4 courts.

5           835. In or around October 2008 or November 2008, Mr. Urquhart, unaware of the  
6 Rescinding Agreement, attempted to sell a portion of his 750,000 shares of Mainland common  
7 stock pursuant to the restrictions imposed by Rule 144 of the Securities Act of 1933; however,  
8 Mr. Urquhart was prevented from doing so due to additional restrictions that Mainland placed on  
9 the stock.

10           836. Specifically, Mr. Urquhart and Westhampton are informed and believe that  
11 Mainland's Board of Directors and/or its officers, employees, agents, and/or consultants  
12 contacted Empire – Mainland's transfer agent – and requested that Empire place a legend on Mr.  
13 Urquhart's 750,000 shares of Mainland stock preventing him from selling and/or transferring  
14 any of the stock.

15           837. Mr. Urquhart and Westhampton are informed and believe that Morgan Creek's  
16 Board of Directors and/or its officers, employees, agents, and/or consultants requested that its  
17 transfer agent also place a legend on Mr. Urquhart's 521,111 shares of Morgan Creek stock  
18 preventing him from selling and/or transferring any of the stock.

19           838. While Mr. Urquhart was trying: (1) to determine why restrictions had been placed  
20 on his shares of Mainland stock; (2) to get the restriction removed; and (3) to obtain  
21 confirmation that Mainland was not rescinding his Mainland stock options, the time to exercise  
22 his Mainland stock options expired.

23           839. Because Mainland would not remove the restrictions and/or legends from Mr.  
24 Urquhart's stock certificate, Mr. Urquhart was prevented from liquidating his stock at a time  
25 when the Mainland stock price was fluctuating between \$5.00-\$7.00 per share.



1           840. Furthermore, because Mr. Urquhart could not liquidate his shares of common  
2 stock in Mainland or Morgan Creek, Mr. Urquhart was prevented from using the funds gained  
3 from the liquidation to exercise his stock options in Mainland.

4           841. Moreover, because Mr. Urquhart could not liquidate his shares of common stock  
5 in Mainland or Morgan Creek, Mr. Urquhart could not get bankers or brokers to loan him funds  
6 against the stock in order to exercise his stock options in Mainland.

7           842. Finally, because Mainland implied, suggested, and/or represented that it was  
8 considering revoking Mr. Urquhart's stock options, Mr. Urquhart could not risk using other  
9 sources of income to exercise his stock options for shares of stock that may never ultimately be  
10 issued to him.

11           843. On or about November 19, 2008, Mr. More contacted Mr. Urquhart about  
12 completing a form necessary for Mira Resources to obtain its listing on the TSX-Venture  
13 Exchange. Mr. Urquhart informed Mr. More that he had resigned from Mira Resources in  
14 September 2008, in response to Ms. Dalmy – acting in her capacity as an attorney for Mira  
15 Resources – requesting his resignation.

16           844. Mr. More informed Mr. Urquhart that neither he nor Mira Resources' president,  
17 Mr. Kreczmer, had ever been informed of Mr. Urquhart's resignation. Mr. More also informed  
18 Mr. Urquhart that Ms. Dalmy had absolutely no association with Mira Resources – Mira  
19 Resources' lawyer was actually Gerald Tuskey of McDonald Tuskey in Vancouver, British  
20 Columbia.

21           845. Therefore, on or about November 20, 2008, Mr. Kreczmer sent Mr. Urquhart a  
22 letter stating that Mira Resources declined to accept Mr. Urquhart's resignation and that Mira  
23 Resources wanted Mr. Urquhart to continue to serve on its Board of Directors and advise Mira  
24 Resources on its exploration and development planning. Mr. Urquhart currently remains a  
25 director of Mira Resources.

1           846. On or about February 4, 2009, Mainland cancelled Mr. Urquhart's 900,000 fully-  
2 vested options in Mainland stock (post-May 2008 stock split).

3           847. To date, the legends and/or restrictions placed on Mr. Urquhart's shares of  
4 Mainland and Morgan Creek stock have not been removed by Mainland or Morgan Creek.

5           848. To date, Mr. Urquhart has been prevented from selling or transferring his  
6 1,500,000 shares of Mainland stock (post-June 2009 stock split) and his approximately 521,111  
7 shares of Morgan Creek stock (post-April 2008 stock split).

8           849. To date, Mr. Urquhart has been prevented from exercising his 1,800,000 options  
9 in Mainland stock (post-June 2009 stock split).

10          850. To date, Mr. Urquhart and Westhampton have not been paid for the consulting  
11 and/or managing services provided to Mainland, Morgan Creek, Pierco Petroleum, and/or Pierco  
12 Energy, and Morgan Creek has not reimbursed Mr. Urquhart and Westhampton for the expenses  
13 he incurred on Morgan Creek's behalf.

14          851. At this time, Mr. Urquhart and Westhampton are not able to plead fraud with any  
15 more particularity, as most of the facts which demonstrate the Counter-defendants' fraudulent  
16 scheme are within the Counter-defendants' peculiar knowledge and possession. This is  
17 particularly true of the facts which demonstrate the nature and extent of the direct and indirect  
18 relationships between the Counter-defendants. However, based upon the above facts which  
19 support a strong inference of fraud, Mr. Urquhart and Westhampton demand that a relaxed  
20 standard for the pleading of fraud be applied to their claims. Mr. Urquhart and Westhampton  
21 believe that if they are permitted to conduct the necessary discovery, they could then move to  
22 amend their complaint and allege fraud with the particularity required of F.R.C.P. 9(b).

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**FIRST CAUSE OF ACTION**

**(Breach of Contract against Abigail)**

852. Mr. Urquhart and Westhampton reallege and reincorporate the allegations contained in paragraphs 1-851, inclusive.

853. Mr. Urquhart was a party to the Abigail Agreement with Abigail.

854. Mr. Urquhart was also a party to an oral agreement with Abigail regarding the fact that he was not required to pay Abigail the purchase price for the stock he received pursuant to the Abigail Agreement.

855. Mr. Urquhart fully and faithfully performed his obligations and duties under said contracts with Abigail, except for those obligations and duties which were excused and/or rendered impossible.

856. Abigail breached its contracts with Mr. Urquhart, as detailed *supra*, at ¶¶ 589-851.

857. As a result of Abigail's breaches, Mr. Urquhart has suffered damages in excess of \$75,000.00.

858. It has been necessary for Mr. Urquhart to obtain the services of an attorney in order to seek relief in this matter, and Mr. Urquhart is entitled to an award of reasonable attorney's fees and costs incurred in this matter.

**SECOND CAUSE OF ACTION**

**(Breach of Contract against Mr. Fedun)**

859. Mr. Urquhart and Westhampton reallege and reincorporate the allegations contained in paragraphs 1-858, inclusive.

860. Mr. Urquhart was a party to the Fedun Agreement with Mr. Fedun.

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862. Mr. Urquhart fully and faithfully performed his obligations and duties under said  
contracts with Mr. Fedun, except for those obligations and duties which were excused and/or  
rendered impossible.

7 863. Mr. Fedun breached his contracts with Mr. Urquhart, as detailed *supra*, at ¶¶ 589-  
8 851.

9           864. As a result of Mr. Fedun's breaches, Mr. Urquhart has suffered damages in  
10 excess of \$75,000.00.

865. It has been necessary for Mr. Urquhart to obtain the services of an attorney in order to seek relief in this matter, and Mr. Urquhart is entitled to an award of reasonable attorney's fees and costs incurred in this matter.

### THIRD CAUSE OF ACTION

**(Breach of Contract against Ms. King Horton)**

16           866. Mr. Urquhart and Westhampton reallege and reincorporate the allegations  
17 contained in paragraphs 1-865, inclusive.

18 867. Mr. Urquhart was a party to the King Horton Agreement with Ms. King Horton.

19           868.    Mr. Urquhart was also a party to an oral agreement with Ms. King Horton  
20 regarding the fact that Mr. Urquhart was not required to pay Ms. King Horton the purchase price  
21 for the stock Mr. Urquhart received pursuant to the King Horton Agreement.

22            869.    Mr. Urquhart fully and faithfully performed his obligations and duties under said  
23    contracts with Ms. King Horton, except for those obligations and duties which were excused  
24    and/or rendered impossible.

1           870. Ms. King Horton breached her contracts with Mr. Urquhart, as detailed *supra*, at  
2 ¶¶ 589-851.

3           871. As a result of Ms. King Horton's breaches, Mr. Urquhart has suffered damages in  
4 excess of \$75,000.00.

5           872. It has been necessary for Mr. Urquhart to obtain the services of an attorney in  
6 order to seek relief in this matter, and Mr. Urquhart is entitled to an award of reasonable  
7 attorney's fees and costs incurred in this matter.

8                                   **FOURTH CAUSE OF ACTION**

9                                   **(Breach of Contract against Mr. Newport)**

10          873. Mr. Urquhart and Westhampton reallege and reincorporate the allegations  
11 contained in paragraphs 1-872, inclusive.

12          874. Mr. Urquhart was a party to the Newport Agreement with Mr. Newport.

13          875. Mr. Urquhart was also a party to an oral agreement with Mr. Newport regarding  
14 the fact that Mr. Urquhart was not required to pay Mr. Newport the purchase price for the stock  
15 Mr. Urquhart received pursuant to the Newport Agreement.

16          876. Mr. Urquhart fully and faithfully performed his obligations and duties under said  
17 contracts with Mr. Newport, except for those obligations and duties which were excused and/or  
18 rendered impossible.

19          877. Mr. Newport breached his contracts with Mr. Urquhart, as detailed *supra*, at ¶¶  
20 589-851.

21          878. As a result of Newport's breaches, Mr. Urquhart has suffered damages in excess  
22 of \$75,000.00.

23          879. It has been necessary for Mr. Urquhart to obtain the services of an attorney in  
24 order to seek relief in this matter, and Mr. Urquhart is entitled to an award of reasonable  
25 attorney's fees and costs incurred in this matter.

**FIFTH CAUSE OF ACTION**

**(Breach of Contract against Mainland)**

880. Mr. Urquhart and Westhampton reallege and reincorporate the allegations contained in paragraphs 1-879, inclusive.

881. Mr. Urquhart was a party to a written stock option agreement with Mainland.

882. Mr. Urquhart and Westhampton were also parties to an oral consulting agreement with Mainland.

883. Mr. Urquhart was also a party to the Abigail Agreement, the Fedun Agreement, the King Horton Agreement, and the Newport Agreement with – in the alternative to the causes of action pleaded *supra* – Mainland, as Abigail, Mr. Fedun, Ms. King Horton, and Mr. Newport acted as implied and/or apparent agents for Mainland and entered into the stock purchase agreements with Mr. Urquhart at Mainland's direction and for Mainland's benefit.

884. Mr. Urquhart and Westhampton fully and faithfully performed their obligations and duties under said contracts with Mainland, except for those obligations and duties which were excused and/or rendered impossible.

885. Mainland breached its contracts with Mr. Urquhart and Westhampton, as detailed *supra*, at ¶¶ 589-851.

886. As a result of Mainland's breaches, Mr. Urquhart and Westhampton have suffered damages in excess of \$75,000.00.

887. It has been necessary for Mr. Urquhart and Westhampton to obtain the services of an attorney in order to seek relief in this matter, and Mr. Urquhart and Westhampton are entitled to an award of reasonable attorney's fees and costs incurred in this matter.

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**SIXTH CAUSE OF ACTION**

**(Breach of Contract Against Morgan Creek)**

888. Mr. Urquhart and Westhampton reallege and reincorporate the allegations contained in paragraphs 1-887, inclusive.

889. Mr. Urquhart and Westhampton were parties to a written and/or oral executive services agreement with Morgan Creek.

890. Mr. Urquhart is also a party to an agreement pursuant to which he received shares of common stock in Morgan Creek.

891. Mr. Urquhart was also a party to an oral agreement with Morgan Creek regarding the fact that he was not required to pay Morgan Creek the purchase price for the stock he received pursuant to the stock transfer agreements with Morgan Creek.

892. Mr. Urquhart and Westhampton were also parties to an oral consulting and/or management agreement with Morgan Creek.

893. Mr. Urquhart and Westhampton fully and faithfully performed their obligations and duties under said contracts with Morgan Creek, except for those obligations and duties which were excused and/or rendered impossible.

894. Morgan Creek breached its contracts with Mr. Urquhart and/or Westhampton, as described *supra*, at ¶¶ 589-851.

895. As a result of Morgan Creek's breaches, Mr. Urquhart and Westhampton have suffered damages in excess of \$75,000.00.

896. It has been necessary for Mr. Urquhart and/or Westhampton to obtain the services of an attorney in order to seek relief in this matter, and Mr. Urquhart and Westhampton are entitled to an award of reasonable attorney's fees and costs incurred in this matter.

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**SEVENTH CAUSE OF ACTION**  
**(Contractual Breach of the Implied Covenant of Good  
Faith and Fair Dealing against Abigail)**

897. Mr. Urquhart and Westhampton reallege and reincorporate the allegations contained in paragraphs 1-896, inclusive.

898. Mr. Urquhart entered into the Abigail Agreement with Abigail, which fully sets forth the duties and obligation running between the parties.

899. Mr. Urquhart was also a party to an oral agreement with Abigail regarding the fact that he was not required to pay Abigail the purchase price for the stock he received pursuant to the Abigail Agreement, and this oral agreement fully sets forth the duties and obligations running between the parties.

900. Abigail owed a duty of good faith and fair dealing to Mr. Urquhart arising from the contracts.

901. Abigail was unfaithful to the purpose of the contracts, engaging in the activities described *supra*, at ¶¶ 589-851, to the detriment of Mr. Urquhart.

902. Mr. Urquhart's justified expectations were denied as a proximate result of Abigail's breaches of the duty of good faith and fair dealing.

903. As a result of Abigail's breaches, Mr. Urquhart has sustained damages in an amount in excess of \$75,000.00.

904. It has been necessary for Mr. Urquhart to obtain the services of an attorney in order to seek relief in this matter, and Mr. Urquhart is entitled to an award of reasonable attorney's fees and costs incurred in this matter.

**EIGHTH CAUSE OF ACTION**  
**(Contractual Breach of the Implied Covenant of Good  
Faith and Fair Dealing against Mr. Fedun)**

905. Mr. Urquhart and Westhampton reallege and reincorporate the allegations contained in paragraphs 1-904, inclusive.

1           906. Mr. Urquhart entered into the Fedun Agreement with Mr. Fedun, which fully sets  
2 forth the duties and obligation running between the parties.

3           907. Mr. Urquhart was also a party to an oral agreement with Mr. Fedun regarding the  
4 fact that Mr. Urquhart was not required to pay Mr. Fedun the purchase price for the stock Mr.  
5 Urquhart received pursuant to the Fedun Agreement, and this oral agreement fully sets forth the  
6 duties and obligations running between the parties.

7           908. Mr. Fedun owed a duty of good faith and fair dealing to Mr. Urquhart arising  
8 from the contracts.

9           909. Mr. Fedun was unfaithful to the purpose of the contracts, engaging in the  
10 activities described *supra*, at ¶¶ 589-851, to the detriment of Mr. Urquhart.

11           910. Mr. Urquhart's justified expectations were denied as a proximate result of Mr.  
12 Fedun's breaches of the duty of good faith and fair dealing.

13           911. As a result of Mr. Fedun's breaches, Mr. Urquhart has sustained damages in an  
14 amount in excess of \$75,000.00.

15           912. It has been necessary for Mr. Urquhart to obtain the services of an attorney in  
16 order to seek relief in this matter, and Mr. Urquhart is entitled to an award of reasonable  
17 attorney's fees and costs incurred in this matter.

18                           **NINTH CAUSE OF ACTION**

19                           **(Contractual Breach of the Implied Covenant of Good**  
20                           **Faith and Fair Dealing against Ms. King Horton)**

21           913. Mr. Urquhart and Westhampton reallege and reincorporate the allegations  
22 contained in paragraphs 1-912, inclusive.

23           914. Mr. Urquhart entered into the King Horton Agreement with Ms. King Horton,  
24 which fully sets forth the duties and obligation running between the parties.

25           915. Mr. Urquhart was also a party to an oral agreement with Ms. King Horton  
regarding the fact that Mr. Urquhart was not required to pay Ms. King Horton the purchase price

1 for the stock Mr. Urquhart received pursuant to the King Horton Agreement, and this oral  
2 agreement fully sets forth the duties and obligations running between the parties.

3 916. Ms. King Horton owed a duty of good faith and fair dealing to Mr. Urquhart  
4 arising from the contracts.

5 917. Ms. King Horton was unfaithful to the purpose of the contracts, engaging in the  
6 activities described *supra*, at ¶¶ 589-851, to the detriment of Mr. Urquhart.

7 918. Mr. Urquhart's justified expectations were denied as a proximate result of Ms.  
8 King Horton's breaches of the duty of good faith and fair dealing.

9 919. As a result of Ms. King Horton's breaches, Mr. Urquhart has sustained damages  
10 in an amount in excess of \$75,000.00.

11 920. It has been necessary for Mr. Urquhart to obtain the services of an attorney in  
12 order to seek relief in this matter, and Mr. Urquhart is entitled to an award of reasonable  
13 attorney's fees and costs incurred in this matter.

14 **TENTH CAUSE OF ACTION**  
15 **(Contractual Breach of the Implied Covenant of Good**  
16 **Faith and Fair Dealing against Mr. Newport)**

17 921. Mr. Urquhart and Westhampton reallege and reincorporate the allegations  
18 contained in paragraphs 1-920, inclusive.

19 922. Mr. Urquhart entered into the Newport Agreement with Mr. Newport, which  
20 fully sets forth the duties and obligation running between the parties.

21 923. Mr. Urquhart was also a party to an oral agreement with Mr. Newport regarding  
22 the fact that Mr. Urquhart was not required to pay Mr. Newport the purchase price for the stock  
23 Mr. Urquhart received pursuant to the Newport Agreement, and this oral agreement fully sets  
24 forth the duties and obligations running between the parties.

25 924. Mr. Newport owed a duty of good faith and fair dealing to Mr. Urquhart arising  
from the contracts.

1           925. Mr. Newport was unfaithful to the purpose of the contracts, engaging in the  
2 activities described *supra*, at ¶¶ 589-851, to the detriment of Mr. Urquhart.

3           926. Mr. Urquhart's justified expectations were denied as a proximate result of Mr.  
4 Newport's breaches of the duty of good faith and fair dealing.

5           927. As a result of Mr. Newport's breaches, Mr. Urquhart has sustained damages in an  
6 amount in excess of \$75,000.00.

7           928. It has been necessary for Mr. Urquhart to obtain the services of an attorney in  
8 order to seek relief in this matter, and Mr. Urquhart is entitled to an award of reasonable  
9 attorney's fees and costs incurred in this matter.

10                                   **ELEVENTH CAUSE OF ACTION**  
11                                   **(Contractual Breach of the Implied Covenant of Good**  
12                                   **Faith and Fair Dealing against Mainland)**

13           929. Mr. Urquhart and Westhampton reallege and reincorporate the allegations  
14 contained in paragraphs 1-928, inclusive.

15           930. Mr. Urquhart was a party to a written stock option agreement with Mainland,  
16 which fully sets forth the duties and obligations running between the parties.

17           931. Mr. Urquhart and Westhampton were also parties to an oral consulting agreement  
18 with Mainland, and this oral agreement fully sets forth the duties and obligations running  
19 between the parties.

20           932. Mr. Urquhart was also a party to the Abigail Agreement, the Fedun Agreement,  
21 the King Horton Agreement, and the Newport Agreement – in the alternative to the causes of  
22 action pleaded *supra* – Mainland, as Abigail, Mr. Fedun, Ms. King Horton, and Mr. Newport  
23 acted as implied and/or apparent agents for Mainland and entered into the stock purchase  
24 agreements with Mr. Urquhart at Mainland's direction and for Mainland's benefit. The Abigail  
25 Agreement, the Fedun Agreement, the King Horton Agreement, and the Newport Agreement  
fully set forth the duties and obligations running between the parties.

1           933. Mainland owed duties of good faith and fair dealing to Mr. Urquhart and  
2 Westhampton arising from the contracts.

3           934. Mainland was unfaithful to the purpose of the contracts, engaging in the activities  
4 described *supra*, at ¶¶ 589-851, to the detriment of Mr. Urquhart and Westhampton.

5           935. Mr. Urquhart and Westhampton's justified expectations were denied as a  
6 proximate result of Mainland's breaches of the duty of good faith and fair dealing.

7           936. As a result of Mainland's breaches, Mr. Urquhart and Westhampton have  
8 sustained damages in an amount in excess of \$75,000.00.

9           937. It has been necessary for Mr. Urquhart and Westhampton to obtain the services of  
10 an attorney in order to seek relief in this matter, and Mr. Urquhart and Westhampton are entitled  
11 to an award of reasonable attorney's fees and costs incurred in this matter.

12                                   **TWELFTH CAUSE OF ACTION**  
13                                   **(Contractual Breach of the Implied Covenant of Good**  
14                                   **Faith and Fair Dealing against Morgan Creek)**

14           938. Mr. Urquhart and Westhampton reallege and reincorporate the allegations  
15 contained in paragraphs 1-937, inclusive.

16           939. Mr. Urquhart and Westhampton were parties to a written and/or oral executive  
17 services agreement with Morgan Creek, and this agreement fully sets forth the duties and  
18 obligations running between the parties.

19           940. Mr. Urquhart is also a party to an agreement pursuant to which he received shares  
20 of common stock in Morgan Creek, and this agreement fully sets forth the duties and obligations  
21 running between the parties.

22           941. Mr. Urquhart was also a party to an oral agreement with Morgan Creek regarding  
23 the fact that he was not required to pay Morgan Creek the purchase price for the stock he  
24 received pursuant to the stock transfer agreement with Morgan Creek, and this oral agreement  
25 fully sets forth the duties and obligations running between the parties.

1           942. Mr. Urquhart and Westhampton were also parties to an oral consulting and/or  
2 management agreement with Morgan Creek, and this oral agreement fully sets forth the duties  
3 and obligations running between the parties.

4           943. Morgan Creek owed duties of good faith and fair dealing to Mr. Urquhart and  
5 Westhampton arising from the contracts.

6           944. Morgan Creek was unfaithful to the purpose of the contracts, engaging in the  
7 activities described *supra*, at ¶¶ 589-851, to the detriment of Mr. Urquhart and Westhampton.

8           945. Mr. Urquhart and Westhampton's justified expectations were denied as a  
9 proximate result of Morgan Creek's breaches of the duty of good faith and fair dealing.

10          946. As a result of Morgan Creek's breaches, Mr. Urquhart and Westhampton have  
11 sustained damages in an amount in excess of \$75,000.00.

12          947. It has been necessary for Mr. Urquhart and Westhampton to obtain the services of  
13 an attorney in order to seek relief in this matter, and Mr. Urquhart and Westhampton are entitled  
14 to an award of reasonable attorney's fees and costs incurred in this matter.

15                                   **THIRTEENTH CAUSE OF ACTION**

16                                   **(Promissory Estoppel against Abigail)**

17          948. Mr. Urquhart and Westhampton reallege and reincorporate the allegations  
18 contained in paragraphs 1-947, inclusive.

19          949. Abigail intended to transfer some of its shares of stock in Mainland to Mr.  
20 Urquhart.

21          950. Abigail intended to induce Mr. Urquhart to acquire shares of common stock in  
22 Mainland with the oral and/or written promise that he need not pay the purchase price of the  
23 stock as set forth in the Abigail Agreement between Abigail and Mr. Urquhart.

24          951. Abigail made this oral and/or written promise to Mr. Urquhart directly and/or  
25 indirectly through its agents Mr. Barbon, Mr. Pierce, and/or Mr. Cicci.





1           960. Mr. Fedun made this oral and/or written promise to Mr. Urquhart directly and/or  
2 indirectly through his agents Mr. Barbon, Mr. Pierce, and/or Mr. Cicci.

3           961. Mr. Urquhart relied on Mr. Fedun's oral and/or written promise concerning the  
4 fact that he would not have to pay the purchase price for his shares of common stock in  
5 Mainland, and Mr. Urquhart entered into the Fedun Agreement with Mr. Fedun.

6           962. Mr. Fedun confirmed this oral and/or written promise on several occasions  
7 through his and/or Mainland's agent, Ms. Dalmy.

8           963. Mr. Urquhart was not aware of the fact that Mr. Fedun never intended to honor  
9 his oral and/or written promises concerning the payment of the purchase price for the Mainland  
10 stock, or that Mr. Fedun intended to instruct, direct, and/or request that Mainland subsequently  
11 place a legend on Mr. Urquhart's shares of Mainland stock preventing Mr. Urquhart from selling  
12 and/or transferring the shares on the open market.

13           964. Mr. Fedun is therefore estopped from failing to honor his original oral and/or  
14 written promise regarding the fact that Mr. Urquhart was not required to pay the purchase price  
15 for the shares of Mainland stock.

16           965. It has been necessary for Mr. Urquhart to obtain the services of an attorney in  
17 order to seek relief in this matter, and Mr. Urquhart is entitled to an award of reasonable  
18 attorney's fees and costs incurred in this matter.

19                                   **FIFTEENTH CAUSE OF ACTION**

20                                   **(Promissory Estoppel against Ms. King Horton)**

21           966. Mr. Urquhart and Westhampton reallege and reincorporate the allegations  
22 contained in paragraphs 1-965, inclusive.

23           967. Ms. King Horton intended to transfer some of her shares of stock in Mainland to  
24 Mr. Urquhart.  
25

1           968. Ms. King Horton intended to induce Mr. Urquhart to acquire shares of common  
2 stock in Mainland with the oral and/or written promise that he need not pay the purchase price of  
3 the stock as set forth in the King Horton Agreement between Ms. King Horton and Mr.  
4 Urquhart.

5           969. Ms. King Horton made this oral and/or written promise to Mr. Urquhart directly  
6 and/or indirectly through her agents Mr. Barbon, Mr. Pierce, and/or Mr. Cicci.

7           970. Mr. Urquhart relied on Ms. King Horton's oral and/or written promise concerning  
8 the fact that he would not have to pay the purchase price for his shares of common stock in  
9 Mainland, and Mr. Urquhart entered into the King Horton Agreement with Ms. King Horton.

10          971. Ms. King Horton confirmed this oral and/or written promise on several occasions  
11 through her and/or Mainland's agent, Ms. Dalmy.

12          972. Mr. Urquhart was not aware of the fact that Ms. King Horton never intended to  
13 honor her oral and/or written promises concerning the payment of the purchase price for the  
14 Mainland stock, or that Ms. King Horton intended to instruct, direct, and/or request that  
15 Mainland subsequently place a legend on Mr. Urquhart's shares of Mainland stock preventing  
16 Mr. Urquhart from selling and/or transferring the shares on the open market.

17          973. Ms. King Horton is therefore estopped from failing to honor her original oral  
18 and/or written promise regarding the fact that Mr. Urquhart was not required to pay the purchase  
19 price for the shares of Mainland stock.

20          974. It has been necessary for Mr. Urquhart to obtain the services of an attorney in  
21 order to seek relief in this matter, and Mr. Urquhart is entitled to an award of reasonable  
22 attorney's fees and costs incurred in this matter.

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**SIXTEENTH CAUSE OF ACTION**

**(Promissory Estoppel against Mr. Newport)**

975. Mr. Urquhart and Westhampton reallege and reincorporate the allegations contained in paragraphs 1-974, inclusive.

976. Mr. Newport intended to transfer some of his shares of stock in Mainland to Mr. Urquhart.

977. Mr. Newport intended to induce Mr. Urquhart to acquire shares of common stock in Mainland with the oral and/or written promise that he need not pay the purchase price of the stock as set forth in the Newport Agreement between Mr. Newport and Mr. Urquhart.

978. Mr. Newport made this oral and/or written promise to Mr. Urquhart directly and/or indirectly through his agents Mr. Barbon, Mr. Pierce, and/or Mr. Cicci.

979. Mr. Urquhart relied on Mr. Newport's oral and/or written promise concerning the fact that he would not have to pay the purchase price for his shares of common stock in Mainland, and Mr. Urquhart entered into the Newport Agreement with Mr. Newport.

980. Mr. Newport confirmed this oral and/or written promise on several occasions through his and/or Mainland's agent, Ms. Dalmy.

981. Mr. Urquhart was not aware of the fact that Mr. Newport never intended to honor his oral and/or written promises concerning the payment of the purchase price for the Mainland stock, or that Mr. Newport intended to instruct, direct, and/or request that Mainland subsequently place a legend on Mr. Urquhart's shares of Mainland stock preventing Mr. Urquhart from selling and/or transferring the shares on the open market.

982. Mr. Newport is therefore estopped from failing to honor his original oral and/or written promise regarding the fact that Mr. Urquhart was not required to pay the purchase price for the shares of Mainland stock.

1           983. It has been necessary for Mr. Urquhart to obtain the services of an attorney in  
2 order to seek relief in this matter, and Mr. Urquhart is entitled to an award of reasonable  
3 attorney's fees and costs incurred in this matter.

4                                   **SEVENTEENTH CAUSE OF ACTION**

5                                   **(Promissory Estoppel against Mainland)**

6           984. Mr. Urquhart and Westhampton reallege and reincorporate the allegations  
7 contained in paragraphs 1-983, inclusive.

8           985. Mainland intended to retain Mr. Urquhart and Westhampton as a consultant for  
9 Mainland.

10          986. Mainland, in the alternative to the causes of action pleaded *supra*, also intended  
11 to transfer some of its stock to Mr. Urquhart

12          987. Mainland intended to induce Mr. Urquhart and Westhampton to act as a  
13 consultant for Mainland by promising – directly and/or indirectly through its agents Mr. Barbon,  
14 Mr. Pierce, and/or Mr. Cicci – that Mr. Urquhart and Westhampton would be compensated  
15 \$5,000.00 per month for their services.

16          988. Mainland intended to induce Mr. Urquhart to acquire shares of common stock in  
17 Mainland with the oral and/or written promise – made by Mainland through its agents Mr.  
18 Pierce, Mr. Cicci, and/or Mr. Barbon – that he need not pay the purchase price of the stock to be  
19 transferred to him from four Mainland stockholders.

20          989. Mr. Urquhart and Westhampton relied on Mainland's oral and/or written promise  
21 concerning the monthly compensation fee for consulting services and entered into the consulting  
22 agreement with Mainland.

23          990. Mr. Urquhart relied on Mainland's oral and/or written promise concerning the  
24 fact that he would not have to pay the purchase price for his shares of common stock in  
25

1 Mainland, and Mr. Urquhart entered into the Abigail Agreement, the Fedun Agreement, the  
2 King Horton Agreement, and the Newport Agreement with Mainland and/or Mainland's agents.

3 991. Mr. Urquhart and Westhampton were not aware of the fact that Mainland never  
4 intended to honor its oral and/or written promise to pay the monthly consulting fee in exchange  
5 for Mr. Urquhart's and Westhampton's services.

6 992. Mr. Urquhart was not aware of the fact that Mainland never intended to honor its  
7 oral and/or written promises concerning the payment of the purchase price for the Mainland  
8 stock, or that Mainland intended to instruct, direct, and/or request that Empire place a legend on  
9 Mr. Urquhart's shares of Mainland stock preventing Mr. Urquhart from selling and/or  
10 transferring the shares on the open market.

11 993. Mainland is therefore estopped from failing to honor its oral and/or written  
12 promise regarding the fact that Mr. Urquhart and Westhampton were entitled to a monthly  
13 consulting fee in exchange for services rendered.

14 994. Mainland is therefore estopped from failing to honor its oral and/or written  
15 promise regarding the fact that Mr. Urquhart was not required to pay the purchase price for the  
16 shares of Mainland stock.

17 995. It has been necessary for Mr. Urquhart and Westhampton to obtain the services of  
18 an attorney in order to seek relief in this matter, and Mr. Urquhart and Westhampton are entitled  
19 to an award of reasonable attorney's fees and costs incurred in this matter.

20 **EIGHTEENTH CAUSE OF ACTION**

21 **(Promissory Estoppel against Morgan Creek)**

22 996. Mr. Urquhart and Westhampton reallege and reincorporate the allegations  
23 contained in paragraphs 1-995, inclusive.

24 997. Morgan Creek intended to retain Mr. Urquhart and Westhampton as a consultant  
25 and manager for Morgan Creek.

1           998. Morgan Creek also intended to transfer some of its shares of stock to Mr.  
2 Urquhart.

3           999. Morgan Creek intended to induce Mr. Urquhart and Westhampton to act as a  
4 consultant and manager for Morgan Creek by promising compensation of \$10,000.00 per month  
5 for their services.

6           1000. Morgan Creek also intended to induce Mr. Urquhart to acquire shares of common  
7 stock in Morgan Creek with the oral and/or written promise that he need not pay the purchase  
8 price of the stock Morgan Creek granted to him.

9           1001. Morgan Creek made these oral and/or written promises to Mr. Urquhart and  
10 Westhampton directly and/or indirectly through its agents Mr. Barbon, Mr. Pierce, and/or Mr.  
11 Cicci.

12           1002. Morgan Creek also confirmed the oral and/or written promise concerning the  
13 purchase price of the stock directly and/or indirectly through its agent Ms. Dalmy.

14           1003. Mr. Urquhart and Westhampton relied on Morgan Creek's oral and/or written  
15 promises concerning the monthly compensation fee and the fact that Mr. Urquhart did not have  
16 to pay the purchase price of the common stock granted to him by Morgan Creek and entered into  
17 the consulting and/or management agreement and the stock transfer agreement with Morgan  
18 Creek.

19           1004. Mr. Urquhart and Westhampton were not aware of the fact that Morgan Creek  
20 never intended to honor its oral and/or written promise to pay the monthly consulting fee in  
21 exchange for Mr. Urquhart's and Westhampton's services.

22           1005. Mr. Urquhart was also not aware of the fact that Morgan Creek never intended to  
23 honor its oral and/or written promise concerning the payment of the purchase price for the  
24 Morgan Creek stock, or that Morgan Creek intended to instruct, direct, and/or request that a  
25

1 legend subsequently be placed on Mr. Urquhart's shares of Morgan Creek stock, thereby  
2 preventing Mr. Urquhart from selling and/or transferring the shares on the open market.

3 1006. Morgan Creek is therefore estopped from failing to honor its oral and/or written  
4 promise regarding the fact that Mr. Urquhart and Westhampton were entitled to a monthly  
5 consulting fee in exchange for services rendered.

6 1007. Morgan Creek is therefore also estopped from failing to honor its oral and/or  
7 written promise regarding the fact that Mr. Urquhart was not required to pay the purchase price  
8 for the shares of Morgan Creek stock.

9 1008. It has been necessary for Mr. Urquhart and Westhampton to obtain the services of  
10 an attorney in order to seek relief in this matter, and Mr. Urquhart and Westhampton are entitled  
11 to an award of reasonable attorney's fees and costs incurred in this matter.

12 **NINETEENTH CAUSE OF ACTION**  
13 **(Tortious Breach of the Implied Covenant of Good**  
14 **Faith and Fair Dealing against Mainland)**

15 1009. Mr. Urquhart and Westhampton reallege and reincorporate the allegations  
16 contained in paragraphs 1-1008, inclusive.

17 1010. The Abigail Agreement, the Fedun Agreement, the King Horton Agreement, and  
18 the Newport Agreement between Mr. Urquhart and – in the alternative to the causes of action  
19 pleaded *supra* – Mainland and/or Mainland's agents was characterized by a special element of  
20 reliance and a fiduciary duty, and Mainland was in a superior and entrusted position to Mr.  
21 Urquhart.

22 1011. The stock option agreement between Mr. Urquhart and Mainland was  
23 characterized by a special element of reliance and a fiduciary duty, and Mainland was in a  
24 superior and entrusted position to Mr. Urquhart.

25 1012. Mainland tortiously breached its duty of good faith and fair dealing by engaging  
in misconduct as described in detail *supra*, at ¶¶589-851.